NEW ORLEANS EAST - PRELIMINARY MARKET EVALUATION

Prepared by W-ZHA, Inc., for Goody Clancy – New Orleans Master Plan February 2009

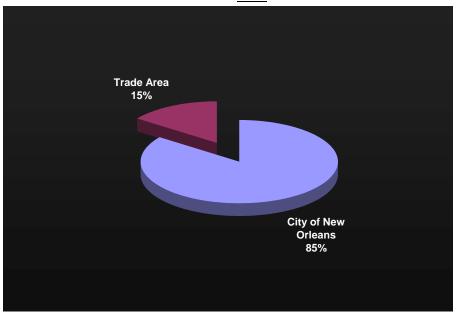
Retail Trade Area

• The retail trade area is well defined by water and highway barriers. For purposes of this analysis the retail trade area is defined as the Industrial Canal to the west, Lake Pontchartrain to the north, Interstate 510 to the east and the Industrial Canal to the south.

Demographics Within The Retail Trade Area

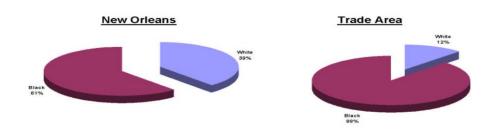
GCR Consulting provided 2009 population estimates and 2013 population projections.
 These estimates have been applied to 2008 data on household composition, income, age and race data provided by Claritas, Inc., a national consumer research organization.

Population
City of New Orleans and New Orleans East Trade Area 2008



Source: GCR Consulting

- GCR Consulting estimates that there are approximately 55,000 people residing in the Trade Area today. As of mid-year 2008, the Trade Area population comprised 15 percent of New Orleans' total population.
- Using Claritas' 2008 estimates of household composition, there are approximately 18,300 households in the Trade Area today.



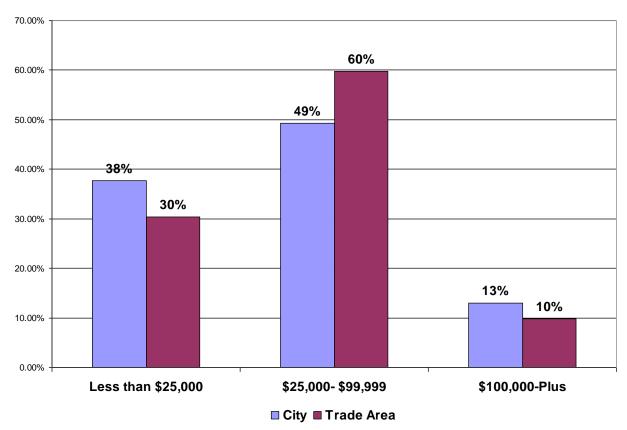
• According to Claritas, in 2008 the Trade Area's population was 88 percent Black/African American. This compares to 61 percent in the City.

 $\begin{array}{c} \text{Median Income} \\ \text{United States, New Orleans, New Orleans East Trade Area} \\ \underline{2008} \end{array}$



• Claritas estimates that the median income in the Trade Area was \$41,540 in 2008, above the New Orleans median of \$35,840. Median income in both the Trade Area and the City is below the national average.

$\begin{array}{c} \text{Income Distribution} \\ \text{New Orleans, New Orleans East Trade Area} \\ \underline{2008} \end{array}$



Source: Claritas, Inc.

 The Trade Area has a significant share of its household income concentrated in the middleincome brackets. There is a lower percentage of very low income- and very high incomehouseholds in the Trade Area as compared to New Orleans as a whole.

 $\begin{array}{c} \text{Median Income} \\ \text{United States, New Orleans, New Orleans East Trade Area} \\ \underline{2008} \end{array}$



• As a result of the income distribution, the Trade Area's average income is below that of the City. Households within the Trade Area have an average income of \$50,800. New Orleans' average household income is \$56,050. Average household income in the United States was \$67,900 in 2008.

Per Capita Income United States, New Orleans, New Orleans East Trade Area $\underline{2008}$



 As a result of household size the Trade Area's 2008 per capita income of \$17,160 was well below the New Orleans' per capita income of \$21,000. Claritas estimates that the average household in the Trade Area contained 3 people. The average household size in New Orleans was estimated to be 2.6 persons.

Retail Expenditure Potential

• Today, Trade Area residents have \$667 million of retail spending potential. By 2013 retail spending potential will increase to \$686 million.

Retail Spending Potential New Orleans East Trade Area 2009

 Z009
 Z013

 Automobile Sales and Gas
 \$196,897,000
 \$202,539,000

 Non-Store Retail
 \$41,326,000
 \$42,510,000

 Shopping Center-Inclined Retail
 \$428,480,000
 \$440,756,250

 Total
 \$666,703,000
 \$685,805,250

Source: GCR Consulting; Claritas, Inc.; W-ZHA

F:\80011 New Orleans\[nola east retail.xls]Sheet2

Approximately, two-thirds of the Trade Area's retail spending will occur in stores typically
found in a town center or shopping center environments. These stores, called "shopping
center-inclined stores" include the following store types: general merchandise; furniture
and furnishings; electronics and appliance; building materials and garden equipment; food
and beverage, health and personal care; apparel and accessories; hobby, sporting goods,
and musical instruments; miscellaneous shoppers goods stores; and eating and drinking
places.

Shopping Center-Inclined Retail Expenditure Potential 2013					
Convenience		\$133,765,000			
Food and Beverage	\$91,186,000				
Drug	\$42,579,000				
General Merchandise, Apparel,					
Furniture, Other Shopper's Goods		\$180,848,000			
General Merchandise	\$87,938,000				
Other	\$92,910,000				
Building Materials		\$72,586,000			
Eating and Drinking		\$53,558,000			
Total Shopping Center-Inclined Retail	•	\$440,757,000			

• There is sufficient market today to support three neighborhood-serving retail centers of approximately 60,000 to 80,000 square feet each. A food store of 40,000 to 60,000 could anchor each of these centers as well as a drug store.

Neighborhood Shopping Center Feasibility 2013

	Trade Area Expenditure Potential		2 Stand Alone Neighborhood Centers	
			Sales /1	Capture
Convenience	Ç	\$133,765,000		
Food and Beverage	\$91,186,000		\$35,640,000	39%
Drug	\$42,579,000		\$9,360,000	22%
General Merchandise, Apparel,		\$180,848,000		
General Merchandise	\$87,938,000		\$4,410,000	5%
Other	\$92,910,000			
Building Materials		\$72,586,000		
Eating and Drinking		\$53,558,000	\$6,300,000	12%
Total Shopping Center-Inclined Retail		\$440,757,000		

1. Assumed 90 percent of store sales are derived from Trade Area residents.

Source: W-ZHA

F:\80011 New Orleans\[nola east retail.xls]neighborhood

• One of these neighborhood centers could be incorporate into a larger super-community shopping center of 500,000 to 800,000 square feet. This center would include convenience goods (food and drug stores), medium and big box retailers (general merchandise like Wal-Mart, a building materials stores like Lowe's, electronics and appliance store like Best Buy, and/or a book store like Books a Million), and smaller in-line shops and service establishments. A Cineplex could be a component; Cineplexes typically require a population of 50,000 within a 5- to 10-minute drive time, which the Trade Area possesses.

Super-Community Center Market Feasibility 2013

	Trade Area		Regional Center	
	Expenditure Potential		Sales /1	Capture
Convenience		\$133,765,000		
Food and Beverage	\$91,186,000		\$19,440,000	21%
Drug	\$42,579,000		\$4,680,000	11%
General Merchandise, Apparel,		\$180,848,000		
General Merchandise	\$87,938,000		\$56,000,000	64%
Other	\$92,910,000		\$60,200,000	65%
Building Materials		\$72,586,000	\$44,800,000	62%
Eating and Drinking	_	\$53,558,000	\$18,000,000	34%
Total Shopping Center-Inclined Retail	•	\$440,757,000		

1. Assumed that Trade Area residents account for 90 percent of food and beverage and drug store sales and 80% of sales in other store types.

Source: W-ZHA

F:\80011 New Orleans\[nola east retail.xls]community

- The super-community center would be targeted to serving the needs of the Trade Area residents. The store configuration would <u>not</u> be that of a regional retail center targeted to a market beyond the Trade Area.
- The super-community center could be incorporated into a mixed-use Town Center where the design emphasis is on the pedestrian experience and physical amenities.
- The super-regional center should be sited in a central location like the I-10 interchange area at Read Boulevard.
- The neighborhood centers should be dispersed within the Trade Area. These centers should be located on major thoroughfares like Crowder Boulevard and Bullard Avenue.